

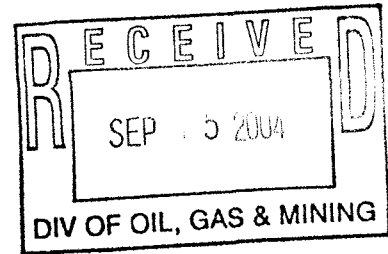


September 15, 2004

ConocoPhillips Company
Property Tax, Real Estate,
Right of Way & Claims
P.O. Box 105
Livermore, CO 80536

Via Hand Delivery

Diana Mason
State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
Oil and Gas Program
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801



Dear Ms. Mason:

ConocoPhillips Company (COPC) plans to drill the Utah 33-530 and Lessar 20-850 natural gas wells, which will be located respectively in the Northwest One-quarter of Section 33 and the Southwest One-quarter of Section 20, Township 14 South, Range 10 East, S.L.B.&M., Carbon County, Utah. COPC has filed an Application for Permit to Drill (APD) for each of these wells with the State of Utah Division of Oil, Gas and Mining. Harold and Iona Slaughter ("Slaughters") own the surface estate of the property underlying the Utah 33-530 well location and Antone A. Lessar and Joanne M. Lessar ("Lessars") own the surface estate of the property underlying the Lessar 20-850 well location.

The Slaughters executed a Surface Use and Damage Agreement effective as of June 30, 2004 and the Lessars executed a Surface Use and Damage Agreement effective as of August 15, 2004, pursuant to the State of Utah Division of Oil, Gas and Mining, Oil and Gas Conservation General Rules, R659-3-34 ("Well Site Restoration Rules"). Each Agreement covers the property owned respectively by the Slaughters and the Lessars and includes an agreement between them and COPC for the protection of surface resources, reclamation of the subject surface property and well site restoration, or damages in lieu thereof, for the surface locations for each of the subject wells. Enclosed are two Affidavits Concerning Surface Use Agreement evidencing COPC's agreement with the Slaughters and the Lessars.

Please advise Jean Semborski with COPC or me if you have questions or require additional information regarding the subject Surface Use Agreements.

Sincerely,

Deanna J. Walker

Phone: 970-498-9677

Fax: 970-498-9687

E-mail: Deanna.J.Walker@conocophillips.com

Enc.

cc: Jean Semborski, ConocoPhillips Company

File: UT/Carbon 171-10; UT 33-530
Slaughter, Harold, et.ux.
UT/Carbon 182; Lessar 20-850
Lessar, Antone A., et.al.

AFFIDAVIT CONCERNING SURFACE USE AGREEMENT


STATE OF COLORADO }
 }
COUNTY OF LARIMER }

DEANNA J. WALKER, being first duly sworn upon her oath, deposes and says:

1. I am a Senior Advisor in the Property Tax, Real Estate, Right of Way and Claims Organization of ConocoPhillips Company, a Delaware corporation duly authorized to transact business in the State of Utah, ("COPC") and am authorized to execute this Affidavit on behalf of said corporation.
2. **Harold Slaughter and Iona Slaughter**, whose address is 1989 South Highway 10, Price, Utah, 84501-4455, ("**Surface Owner**") own the surface estate of property located in the **Northwest One-quarter of Section 33, Township 14 South, Range 10 East, S.L.B.&M., Carbon County, Utah** ("Property").
3. COPC owns or operates oil and gas rights, including mineral leases, and may become holder of other oil and gas rights, including mineral leases, underlying and in the vicinity of the Property ("Leases") and desires to enter on the Property for the purposes of conducting oil and gas operations related to such oil and gas rights, including mineral leases.
4. The Surface Owner executed a Surface Use and Damage Agreement effective as of the 30th day of June 30, 2004, which covers the Property. In addition to other agreements and as required by the State of Utah Division of Oil, Gas and Mining, Oil and Gas Conservation General Rules, R649-3-34 ("Well Site Restoration Rules"), the Surface Use and Damage Agreement sets forth the agreement between the parties for the protection of surface resources, reclamation of the Property and well site restoration, or damages in lieu thereof, for the surface pad locations for COPC's **Utah 33-530` well** and associated infrastructure, which will be located on the Property. A Memorandum of Surface Use and Damage Agreement is being filed in the public records of Carbon County, Utah.
5. I execute and record this affidavit in accordance with the requirements of the Well Site Restoration Rules.

6. The matters stated herein are true of my own knowledge, except to any matters stated herein upon information and belief, and, as to those matters, I believe them to be true.

DATED this 14th day of September, 2004.



DEANNA J. WALKER
ConocoPhillips Company
Property Tax, Real Estate,
Right of Way and Claims
Senior Advisor

Subscribed, sworn and acknowledged to and by Deanna J. Walker before me this 14th day of September, 2004.



NOTARY PUBLIC
For the State of Colorado

My Commission Expires:

October 13, 2005



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

001

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-47557	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT OR CA AGREEMENT NAME: Drunkards Wash UTU-67921X	
2. NAME OF OPERATOR: ConocoPhillips Company				9. WELL NAME and NUMBER: Utah 33-530	
3. ADDRESS OF OPERATOR: P.O. Box 851 CITY Price STATE UT ZIP 84501			PHONE NUMBER: (435) 613-9777		
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 832' FNL, 1890' FWL <i>516441X 39.56927</i> AT PROPOSED PRODUCING ZONE: <i>4379760Y -110.80859</i>				10. FIELD AND POOL, OR WILDCAT: Drunkards Wash <i>Undesignated</i>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 2.2 Miles south of Price, Utah				12. COUNTY: Carbon	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 744'		16. NUMBER OF ACRES IN LEASE: 180 Acres		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 3800'		19. PROPOSED DEPTH: 1,460		20. BOND DESCRIPTION: Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5528.2 GR		22. APPROXIMATE DATE WORK WILL START: 8/1/2004		23. ESTIMATED DURATION:	

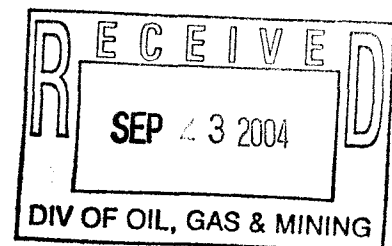
24. PROPOSED CASING AND CEMENTING PROGRAM					
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
15"	12 3/4" Conductor	40			
11"	8 5/8" J-55 24#/ft	146	63 sks G+2%CaCl+ 1/4#/skD29		
7 7/8"	5 1/2" N-80 17#/ft	1,450	100 sks 50/50 POZ 8%,D20,10% D44,2%S001 1/4#/skD29		
			90sks 10-1 RFC Tail		

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES: <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Jean Semborski TITLE Planning and Compliance Supervisor
 SIGNATURE *Jean Semborski* DATE 6/28/2004

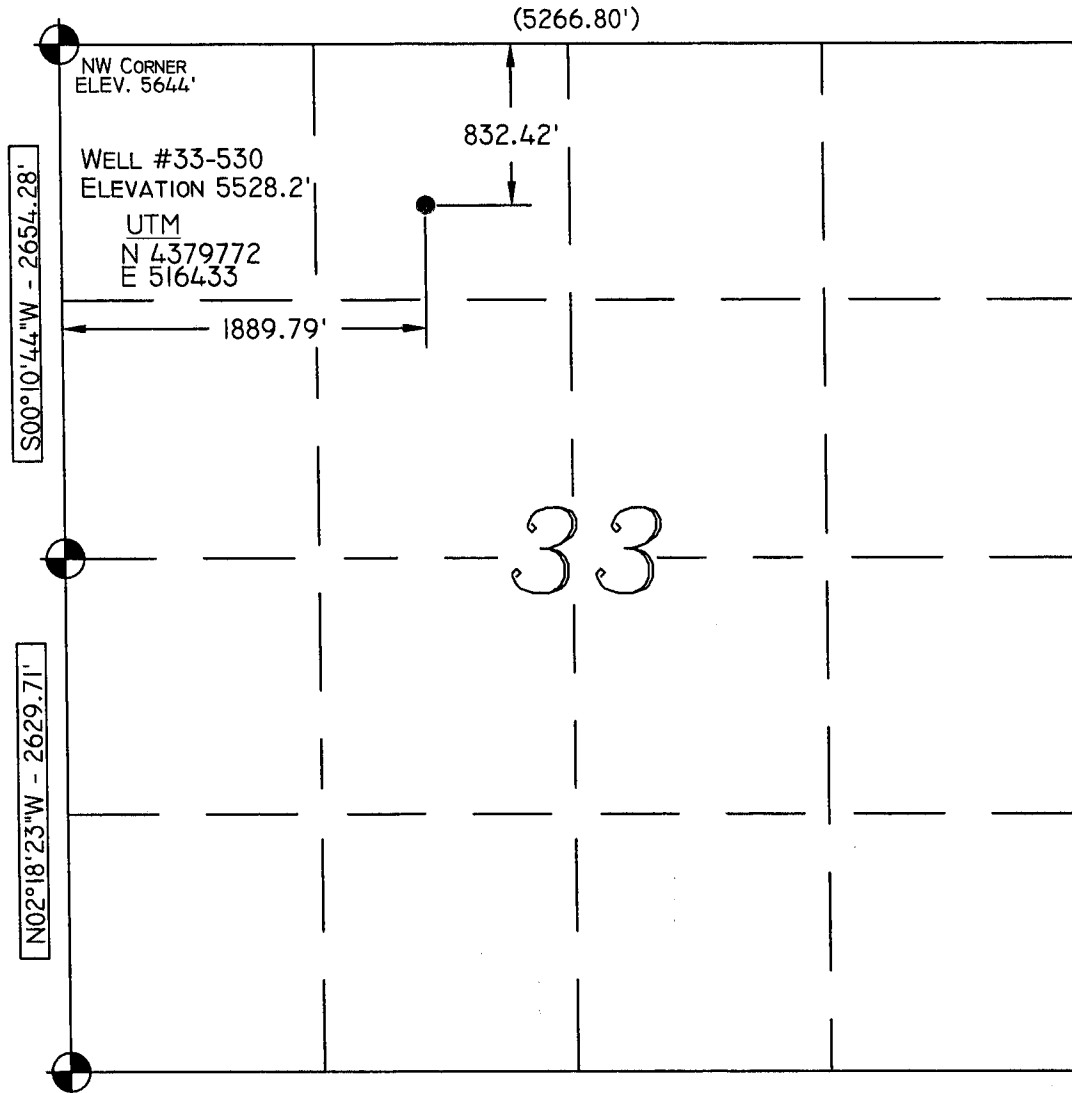
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API NUMBER ASSIGNED: 43007-31013 **CONFIDENTIAL**



Range 10 East

Township 14 South



LEGEND

- DRILL HOLE LOCATION
- ⊙ METAL CAP (FOUND)
- BRASS CAP (SEARCHED FOR, BUT NOT FOUND)
- △ CALCULATED CORNER
- () GLO
- GPS MEASURED

NOTES:

1. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
39°34'10"N
110°48'31"W

Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:

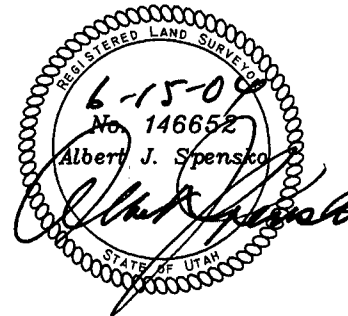
BASIS OF ELEVATION OF 5552' BEING AT THE NORTHWEST SECTION CORNER OF SECTION 33, TOWNSHIP 14 SOUTH, RANGE 10 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE PRICE QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE NE1/4 NW1/4 OF SECTION 33, T14S, R10E, S.L.B.&M., BEING 832.42' SOUTH AND 1889.79' EAST FROM THE NORTHWEST SECTION CORNER OF SECTION 33, T14S, R10E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



GRAPHIC SCALE

0 500' 1000'
(IN FEET)
1 inch = 1000 ft.



TALON RESOURCES, INC.

375 S. Carbon Ave., Ste 101, (A-10)
Price - Huntington, Utah
Phone (435)637-8781 Fax (435)636-8603
E-Mail talon@castlenet.com

ConocoPhillips Company

WELL #33-530
Section 33, T14S, R10E, S.L.B.&M.
Carbon County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 06/14/04
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1371



6825 South 5300 West
P.O. Box 851
Price, UT 84501
phone 435.613.9777
fax 435.613.9782

June 28, 2004

Ms Diana Whitney
State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
SLC, Utah 84114-5801

RE: Application for Permit to Drill-
Utah 33-530, NE/4 NW/4 Sec. 33
T14S, R10E, SLB & M, Carbon County, Utah

Dear Ms. Whitney:

Enclosed is the original of the *Application for Permit to Drill* (APD). Included with the APD is the following information:

Exhibit "A" - Survey Plat of the Proposed Well Site;

Exhibit "B" - Proposed Location Map with Pipeline, Power, and Road Access;

Exhibit "C" - Drilling Site Layout;

Exhibit "D" - Drilling Information

Exhibit "E" - Multipoint Surface Use Plan

Exhibit "F" - Typical Road Cross-section;

Exhibit "G" - BOP Diagram;

Exhibit "H" - Typical Wellhead Manifold;

Exhibit "I" - Evidence of Bond;

RECEIVED

SEP 23 2004

DIV. OF OIL, GAS & MINING

COPY

CONFIDENTIAL

Utah 33-530
Aug. 9, 2004
Page Two

The proposed well is located within the Drunkards Wash Federal Unit and more than 460 feet from the unit boundary. The proposed location, 832' FNL and 1890' FWL, is inside the "spacing window" specified by the general state location and siting rule.

Please accept this letter as ConocoPhillips' written request for confidential treatment of all information contained in and pertaining to this permit application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact me if you have any questions.

Sincerely,



Jean Semborski
Planning and Compliance Supervisor

cc: Mr. Eric Jones, BLM, Moab, Utah
Mr. Gene Herrington, Texaco
Mr. John Lennon, Dominion Resources
Mr. Don Stephens, BLM, Price, Utah
Ms. Jane Strickland, ConocoPhillips
Mrs. Deanna Walker, ConocoPhillips
Mr. Mark Jones, DOGM, Price, Utah
ConocoPhillips Well File

EXHIBIT "D"
DRILLING PROGRAM

Attached to Form 3
ConocoPhillips Company
Utah 33-530
NE/4, NW/4, Sec.33, T14S, R10E, SLB & M
832' FNL, 1890' FWL
Carbon County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 990'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 1020' - 1160'

No groundwater is expected to be encountered.

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 1400 psi.

4. The Proposed Casing and Cementing Programs

<u>HOLE</u> <u>SIZE</u>	<u>SETTING DEPTH</u> <u>(INTERVAL)</u>	<u>SIZE</u> <u>(OD)</u>	<u>WEIGHT, GRADE</u> <u>& JOINT</u>	<u>NEW,</u> <u>USED</u>
15"	40'	12-3/4"	Conductor	New
11"	146'	8-5/8"	24#ST&C	New
7-7/8"	1450'	5-1/2	17#LT&C	New

Cement Program -
Surface Casing:

63 sks G+2%CaCl+1/4#per sack flocel;15.8#/gal,density,
1.15 cu.ft/sk yield. Every attempt will be made to bring
cement back to surface.

Production Casing: 100 sks 50/50 poz 8%gel +2%CaCl+10%extender;12.5#/gal,
density, 1.92 cu.ft/sk yield.

90 sks "G" thixotropic, 14.2#/gal density, 1.61 cu.ft/sk yield

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-300	11" hole	Drill with air, will mud-up if necessary.
300-TD	7 7/8" hole	Drill with air. 400 psi @ 1500-1800 Scf.

7. The Testing, Logging and Coring Programs are as followed

300-TD Gamma Ray, Density, Neutron Porosity, Induction, Caliper

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 491 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled around August 2004.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

EXHIBIT "E"
MULTIPOINT SURFACE USE PLAN

Attached to Form 3
ConocoPhillips Company
Utah 33-530
NE/4, NW/4, Sec. 33, T14S, R10E, SLB&M
832' FNL, 1890' FWL
Carbon County, Utah

1. Existing Roads

- a. We do not plan to change, alter or improve upon any existing state or county roads.
- b. Existing roads will be maintained in the same or better condition. See Exhibit "B".

2. Planned Access

Approximately 100' of new access is required (See Exhibit "B")

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 4%
- c. Turnouts: None
- d. Drainage design: 1 culvert(s) may be required. Water will be diverted around well pad as necessary.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Pipe and Power lines will follow the proposed access road.

3. Location of Existing Wells

- a. See Exhibit "B". There are 4 proposed and 2 existing wells within a one-mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will be as shown on Exhibit "H". Buried powerlines run along access on the east and north, gathering lines on the south or west.
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be purchased from the Price River Water Improvement District (a local source of municipal water) (tel. 435-637-6350).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. As the well will be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit back-filled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of one trailer to be located on the drill site.

9. Wellsite Layout

- a. Available topsoil will be removed from the location and stockpiled. Location of mud tanks, reserve and berm pits, and soil stockpiles will be located as shown on the attachments.
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the pit. The pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Exhibit "B".
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

11. Surface Ownership:

- a. The wellsite and access road will be constructed on lands owned Harold Slaughter. The operator shall contact the landowner representative and the Division of Oil, Gas and mining 48 hours prior to beginning construction activities.
Landowner Contact Information:
Harold Slaughter
1989 S. Hwy 10
Price, Utah 84501
Phone: 435-637-0033

12. **Other Information:**

- a. The primary surface use is farming and grazing. The nearest dwelling is approximately 1800 feet to the west.
- b. Nearest live water is Unnamed Wash located 300' South.
- c. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.
- d. The backslope and foreslope will be constructed no steeper than 4:1.
- e. All equipment and vehicles will be confined to the access road and well pad.
- f. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite during construction and drilling operations

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. Company Representative

Jean Semborski
Planning and Compliance Supervisor
ConocoPhillips Company
6825 S. 5300 W. P.O. Box 851
Price, Utah 84501
(435) 613-9777
(435) 820-9807

Mail Approved A.P.D. To:

Company Representative


Excavation Contractor

Larry Jensen, Vice President
Nelco Contractors Inc.
Vice President
(435) 637-3495
(435) 636-5268

14. Certification

I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by ConocoPhillips Company and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

8/9/04
Date


Jean Semborski
Planning and Compliance Supervisor
ConocoPhillips Company

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 4A

Bond No. 6196922

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) CONOCOPHILLIPS COMPANY as Principal,
and

(surety name) SAFECO INSURANCE COMPANY OF AMERICA as Surety, duly authorized
and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

EIGHTY THOUSAND AND NO/100***** dollars (\$ 80,000.00)
lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and
benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and
severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening,
repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of
oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

X Blanket Bond: To cover all wells drilled in the State of Utah

Individual Bond: Well No: _____
Section: _____ Township: _____ Range: _____
County: _____, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and
requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells
and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized
officers and its corporate or notary seal to be affixed this

30th day of Dec, 20 02.

(Corporate or Notary Seal here)

Attestee: [Signature] Date: 12-30-02

CONOCOPHILLIPS COMPANY
Principal (company name)
By James F. Hughes Corporate Insurance
Name (print) Title manager
James F. Hughes
Signature

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal
to be affixed this

1ST day of JANUARY, 20 03.

SAFECO INSURANCE COMPANY OF AMERICA
Surety Company (Attach Power of Attorney)
By TINA MARIE FOSTER ATTORNEY-IN-FACT
Name (print) Title
Tina Marie
Signature
C/O MARSH USA INC.
Surety Mailing Address

(Corporate or Notary Seal here)

Attestee: Carolyn E. Wheeler
Date: 12/20/2002

P.O. BOX 36012, KNOXVILLE, TN 37930-6012
City State Zip

CAROLYN E. WHEELER
NOTARY PUBLIC
MY COMMISSION EXPIRES: NOVEMBER 1, 2006
(5/2002)

RIDER

To be attached to Bond No. 6196922 issued by _____

SAFECO INSURANCE COMPANY OF AMERICA

(As Surety) in the amount of Eighty Thousand Dollars and 00 Cents*****

***** (\$80,000.00)

Dollars, effective the 1st day of January, 2003

ON BEHALF OF CONOCOPHILLIPS COMPANY

IN FAVOR OF STATE OF UTAH

In consideration of the premium charged for the attached bond, it is mutually understood and agreed by the Principal and the Surety that: THE BOND AMOUNT IS HEREBY INCREASED FROM THE ABOVE TO:
ONE HUNDRED TWENTY THOUSAND DOLLARS AND NO/100*****(\$120,000.00)

All other items, limitations and conditions of said bond except as herein expressly modified shall remain unchanged.

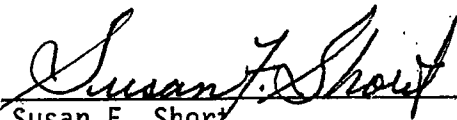
This rider shall be effective as of the 23rd day of January, 2004

Signed, sealed and dated this the 23rd day of January, 2004

CONOCOPHILLIPS COMPANY

Principal

BY



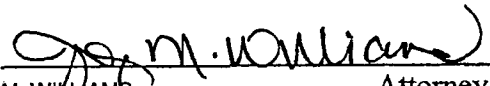
Susan F. Short
Assistant Secretary

SAFECO INSURANCE COMPANY OF AMERICA

Surety

Accepted:

BY



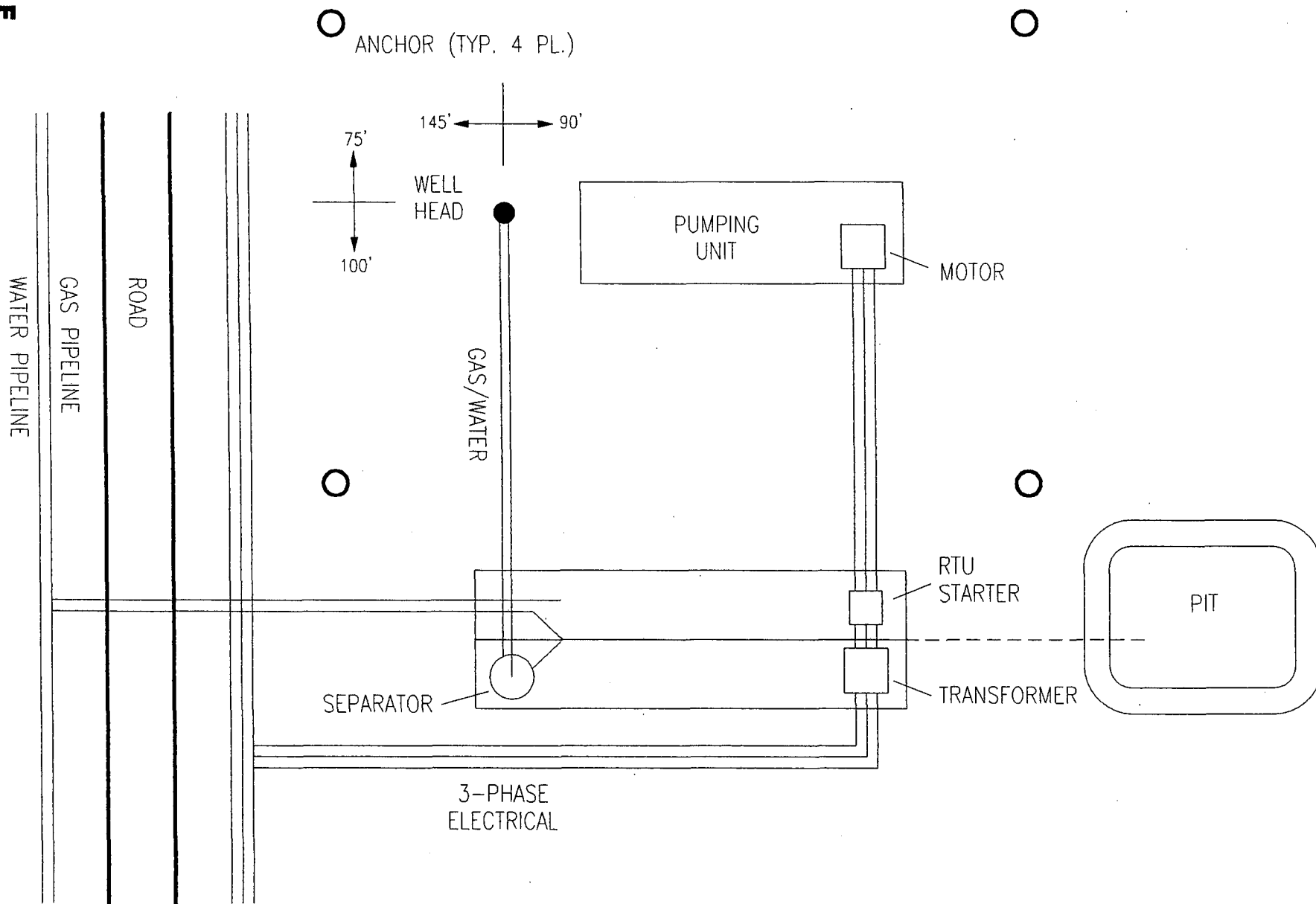
JOY M. WILLIAMS,

Attorney-in-Fact

Bond 22a

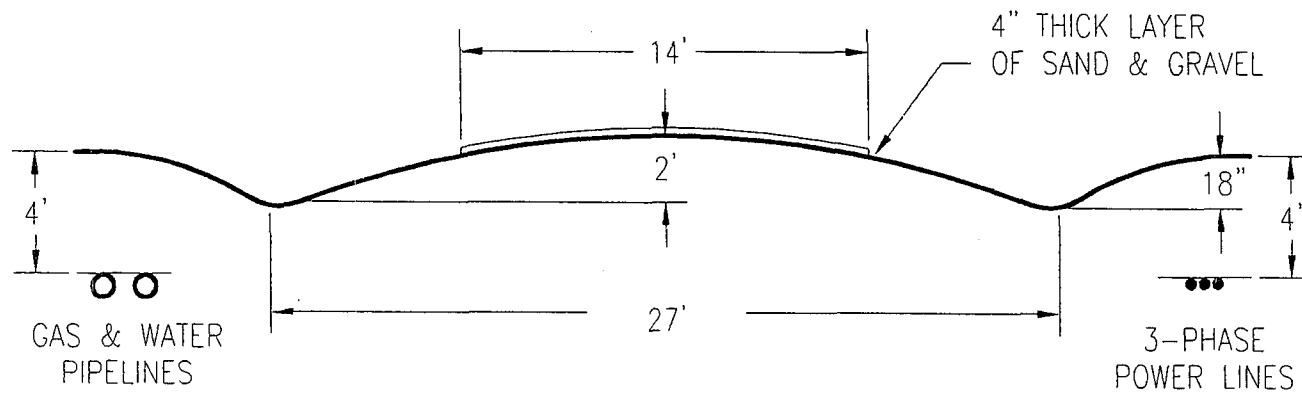
CONOCOPHILLIPS

WELL SITE LAYOUT (235' x 175')

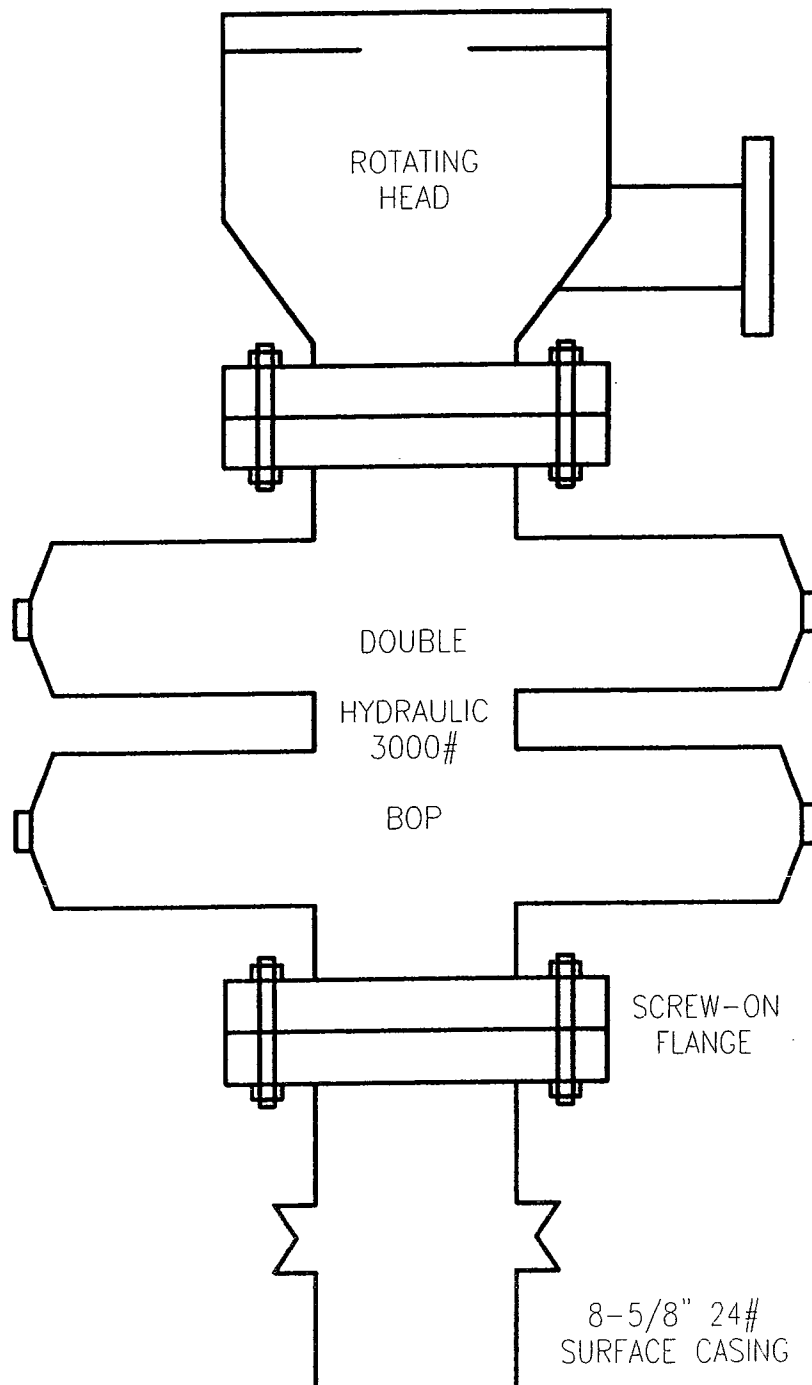


TYPICAL ROAD CROSS-SECTION

EXHIBIT F



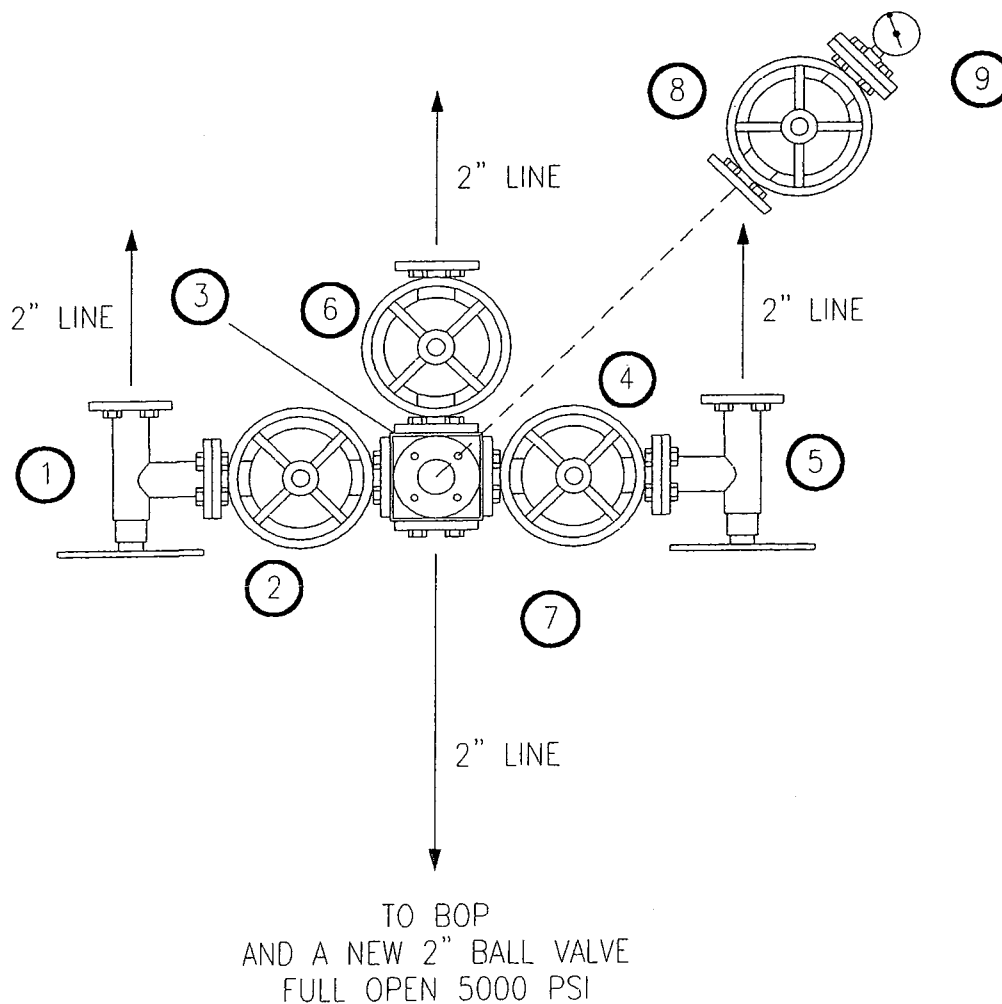
DIVERTER HEAD



- (1) 2" 5M FLANGED CHOKE
- (2) 2" 5M GATE VALVE (FLANGED)
- (3) 2" 5M STUDDED CROSS
- (4) 2" 5M GATE VALVE (FLANGED)
- (5) 2" 5M FLANGED CHOKE
- (6) 2" 5M GATE VALVE (FLANGED)
- (7) 2" LINE
- (8) 2" 5M GATE VALVE (FLANGED)
- (9) 3000# GAUGE

NOTE:

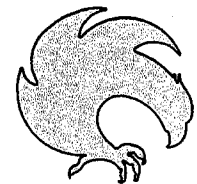
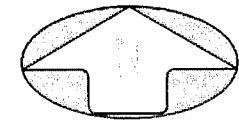
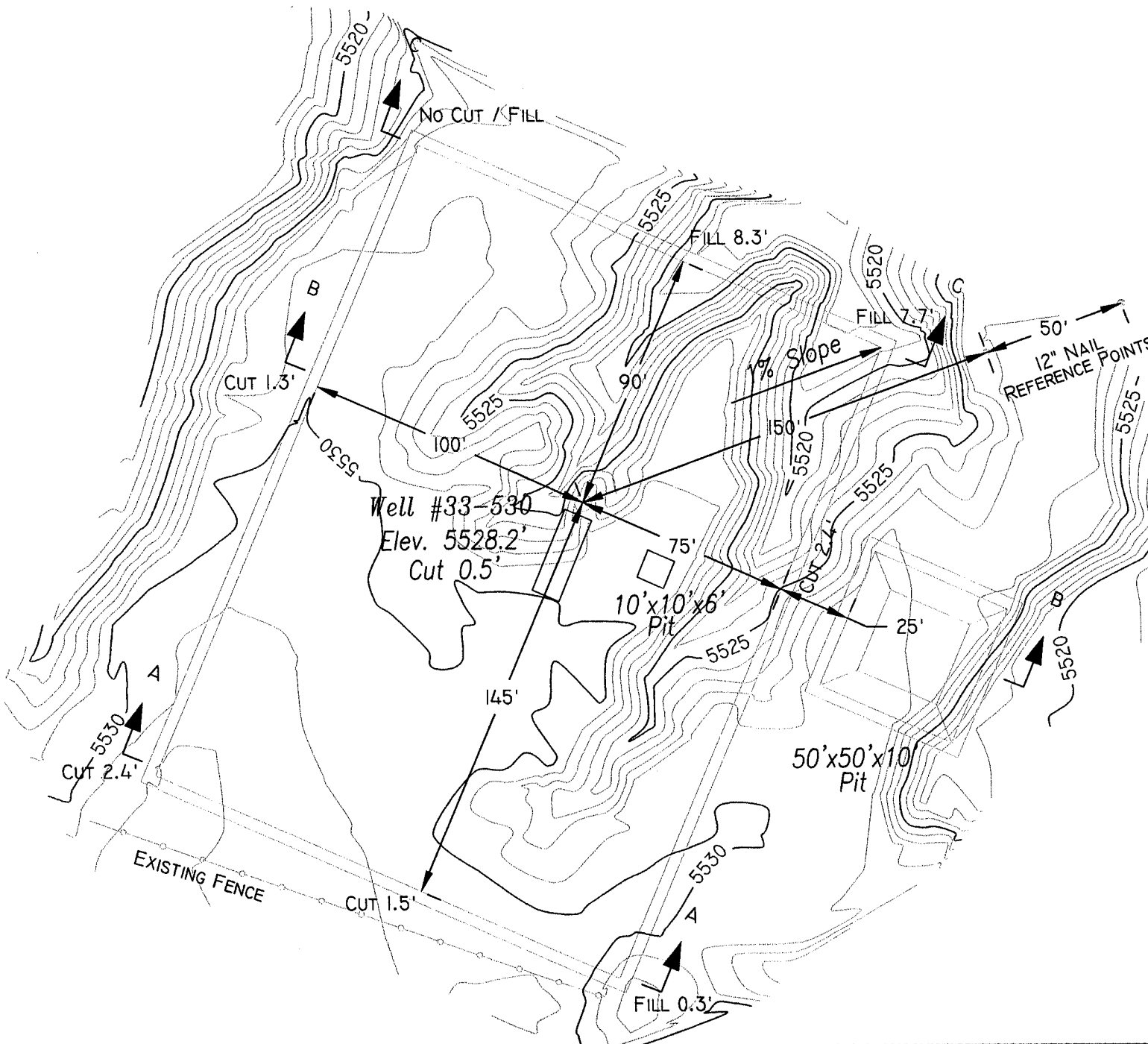
NUMBER 8 GATE VALVE SITS ON TOP OF MANIFOLD BETWEEN STUDDED CROSS AND 3000# GAUGE.



MANIFOLD

EXHIBIT H

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 5528.2'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 5527.7'



Talon Resources, Inc.

195 North 100 West P.O. Box 1230

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

E-Mail talon@etv.net

ConocoPhillips Company

LOCATION LAYOUT

Section 33, T14S, R10E, S.L.B.&M.

WELL #33-530

Drawn By:
J. STANSFIELD

Checked By:
L.W.J.

Drawing No.

A-2

Date:

06/14/04

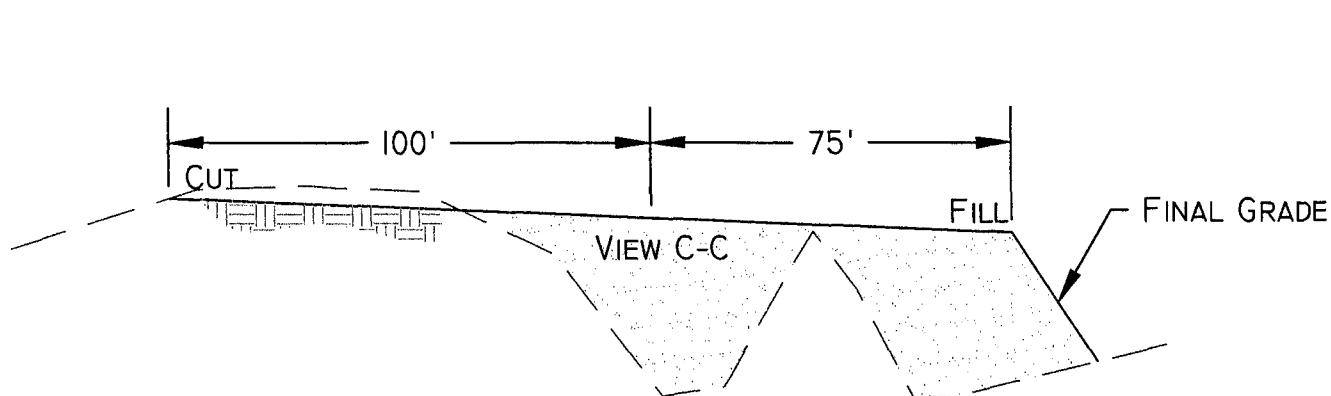
Scale:

1" = 50'

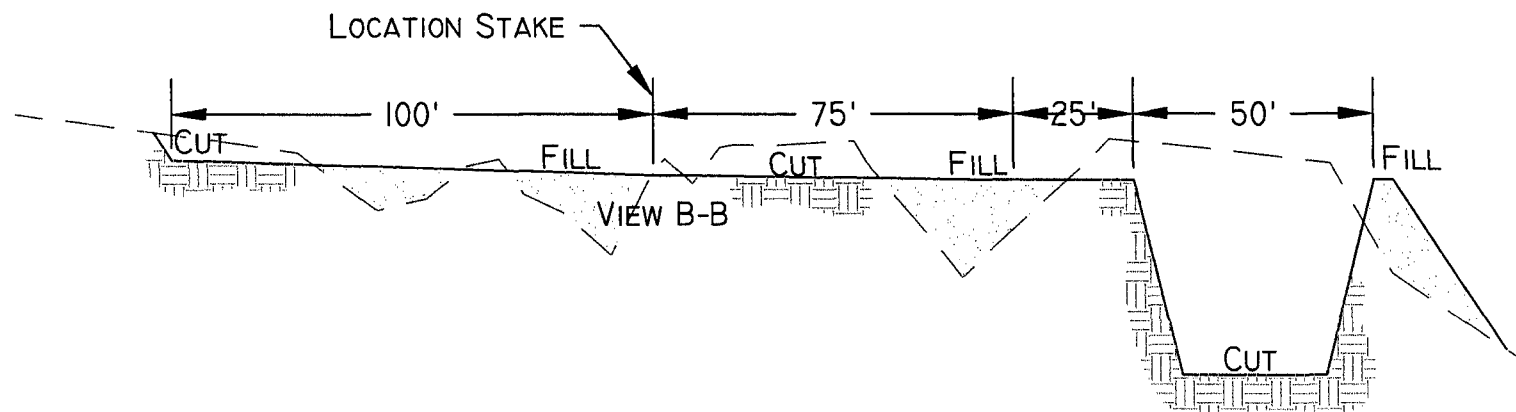
Sheet 2 of 4

Job No.

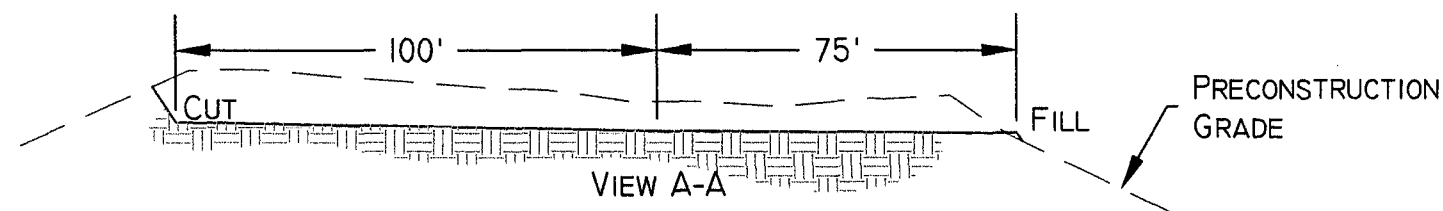
1371



1"=10'
X-Section
Scale
1"=40'



SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 ; 1



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ConocoPhillips Company

TYPICAL CROSS SECTION
Section 33, T14S, R10E, S.L.B.&M.
WELL #33-530

Drawn By:
J. STANSFIELD

Checked By:
L.W.J.

Drawing No.

C-1

Date:

06/14/04

Scale:

1" = 40'

Sheet 3 of 4

Job No.
1371

APPROXIMATE YARDAGES

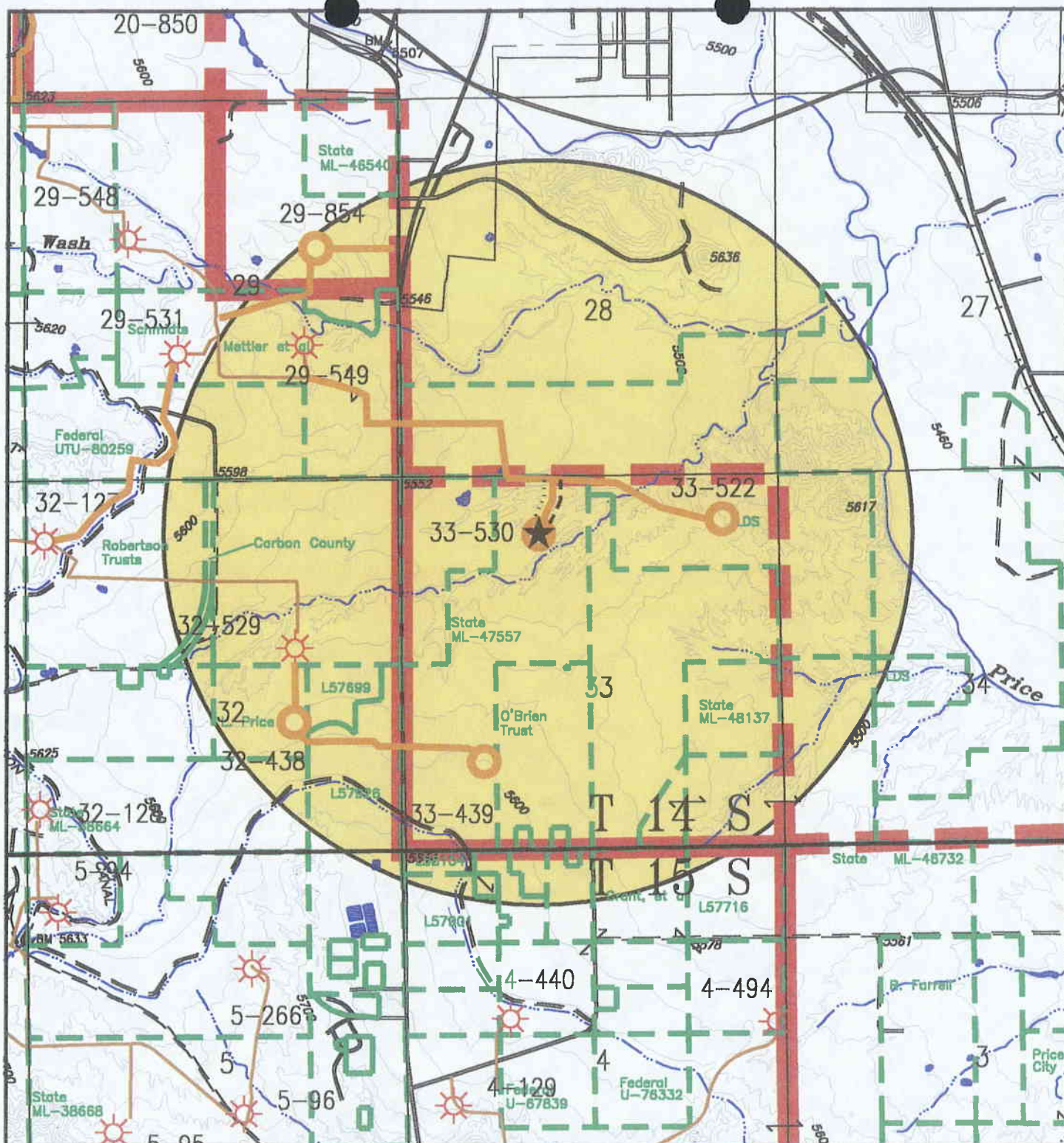
CUT

(6") TOPSOIL STRIPPING = 750 CU. YDS.

REMAINING LOCATION = 1,350 CU. YDS.

TOTAL CUT = 2,225 CU. YDS.

TOTAL FILL = 1,860 CU. YDS.



LEGEND

Proposed Well Location:
 Other Proposed Well Locations:
 Proposed Powerline:
 Proposed Pipeline:
 Proposed Roads:
 Lease Boundary:
 Existing Wells:



Scale: 1" = 2000'

June 21, 2004

ConocoPhillips Company
 6825 South 5300 West
 P.O. Box 851
 Price, Utah 84501
 Phone: (435) 613-9777
 Fax: (435) 613-9782


ConocoPhillips
 Company

WELL # 33-530
Section 33, T14S, R10E, S.L.B.&M.
Exhibit B 1 of 2

TOPO! map printed on 06/14/04 from "PhillipsWells.tpo" and "Untitled.tpg"

110°53'00" W

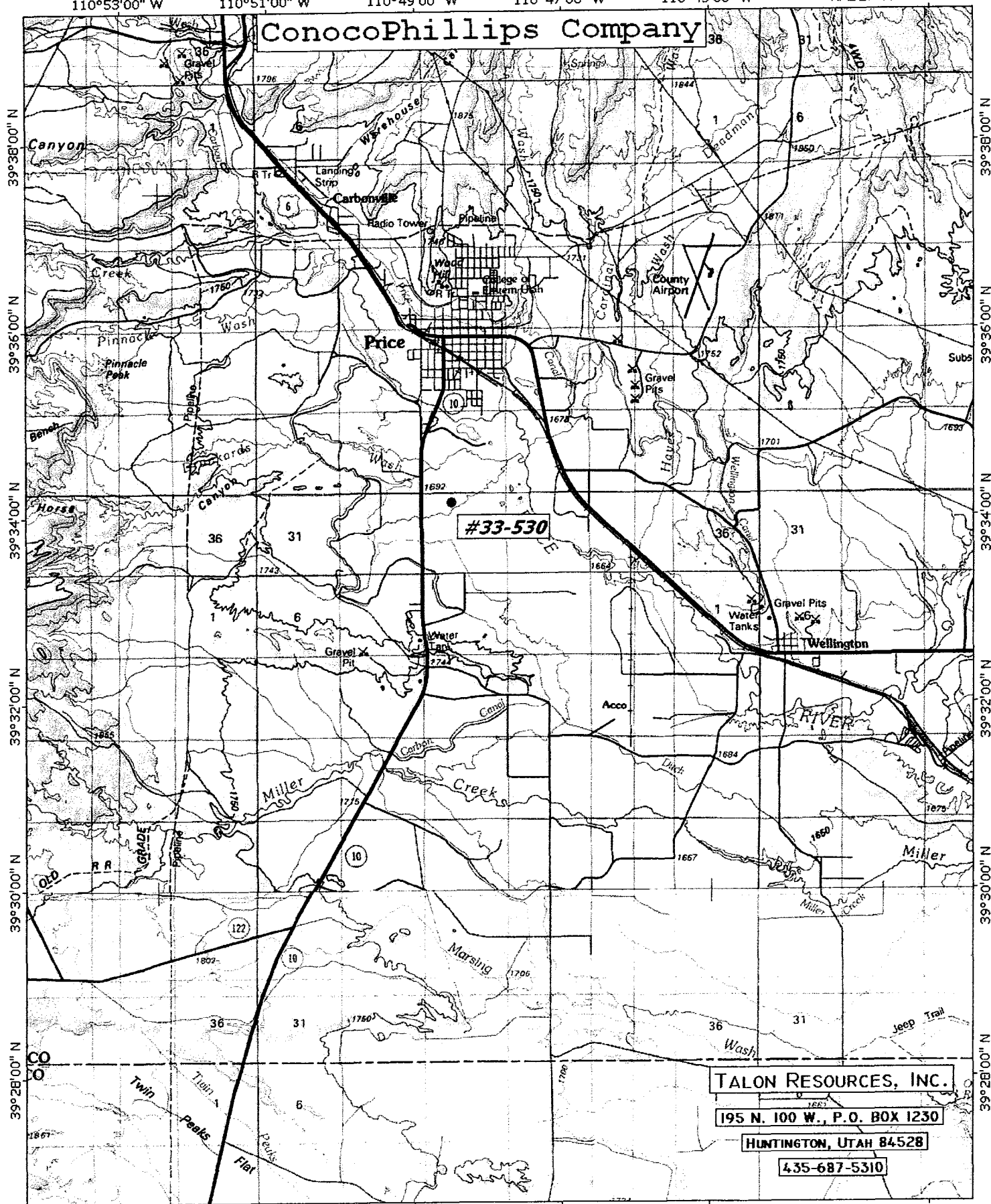
110°51'00" W

110°49'00" W

110°47'00" W

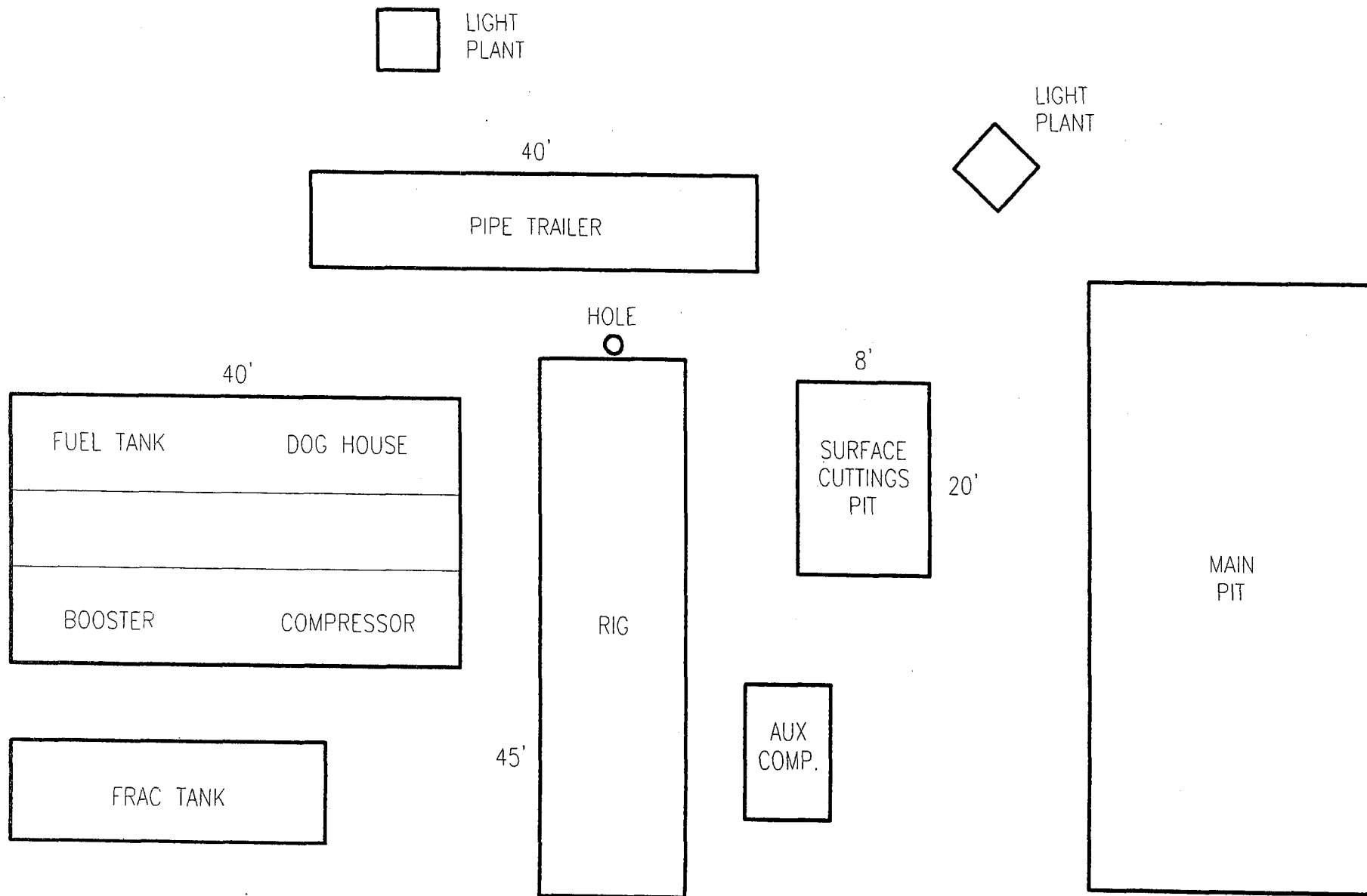
110°45'00" W

NAD27 110°42'00" W



TN*
12%

APPROXIMATE LAYOUT OF RIG & EQUIPMENT



003

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/23/2004

API NO. ASSIGNED: 43-007-31013

WELL NAME: UTAH 33-530

OPERATOR: CONOCOPHILLIPS COMPANY (N2335)

CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

NENW 33 140S 100E

SURFACE: 0832 FNL 1890 FWL

BOTTOM: 0832 FNL 1890 FWL

CARBON

UNDESIGNATED (2)

LEASE TYPE: 3 - State

LEASE NUMBER: ML-47557

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? ~~NO~~ YES

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	10/8/04
Geology		
Surface		

LATITUDE: 39.56927

LONGITUDE: -110.8086

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 6196922)
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit
(No. MUNICIPAL)
- ☒ RDCC Review (Y/N)
(Date:)
- ☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit

☒ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

Drilling Unit

Board Cause No:

Eff Date:

Siting:

R649-3-11. Directional Drill

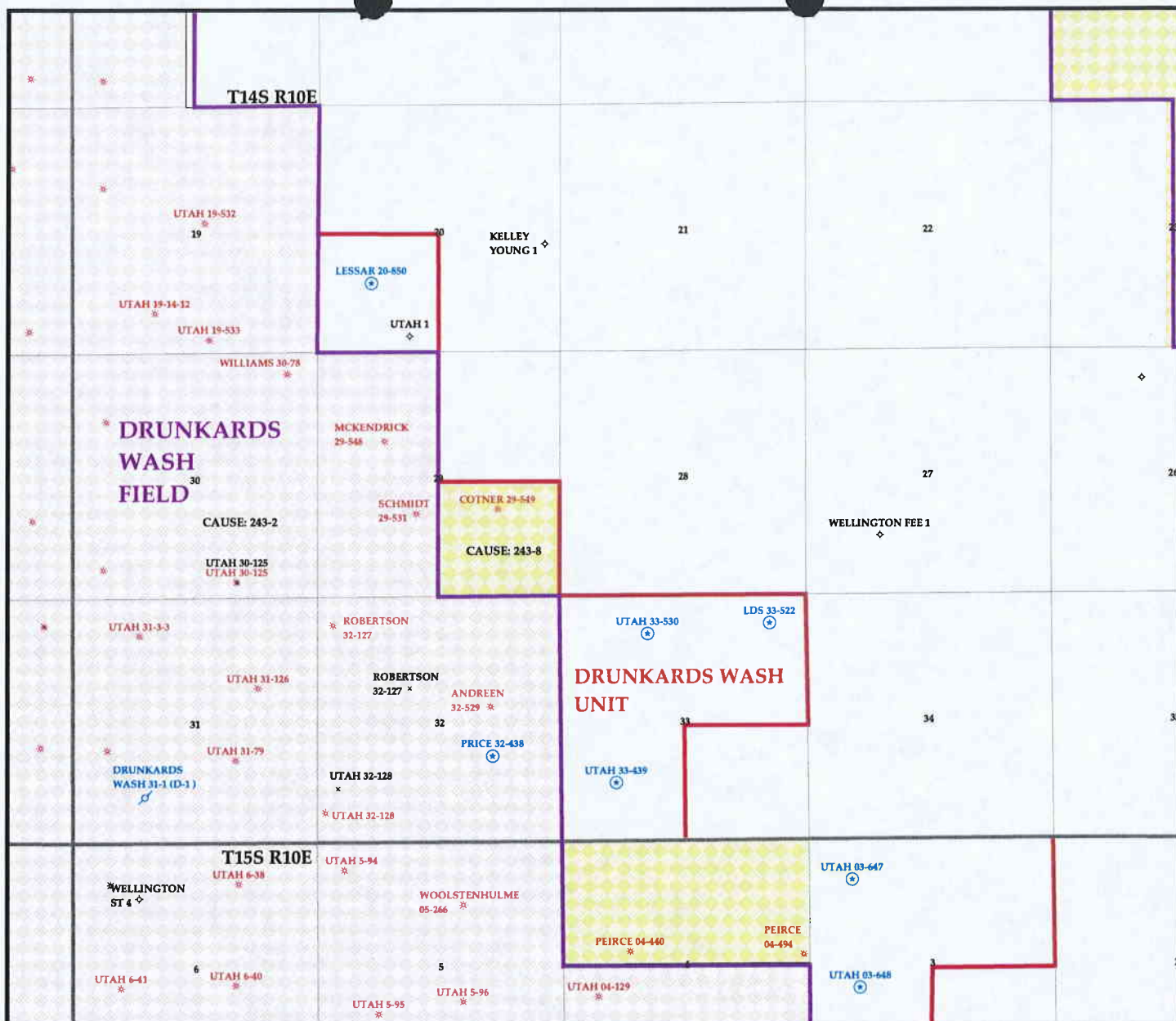
COMMENTS:

Needs Presite (08-18-04)

STIPULATIONS:

1- Spacing Slip

2- STATEMENT OF BASIS



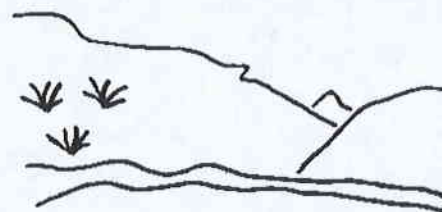
OPERATOR: CONOCOPHILLIPS CO (N2335)

SEC. 33 T.14S R.10E

FIELD: UNDESIGNATED (002)

COUNTY: CARBON

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

Wells	Units.shp	Fields.shp
⊕ GAS INJECTION	□ EXPLORATORY	□ ABANDONED
⊙ GAS STORAGE	□ GAS STORAGE	□ ACTIVE
× LOCATION ABANDONED	□ NF PP OIL	□ COMBINED
⊕ NEW LOCATION	□ NF SECONDARY	□ INACTIVE
⊕ PLUGGED & ABANDONED	□ PENDING	□ PROPOSED
⊕ PRODUCING GAS	□ PI OIL	□ STORAGE
⊕ PRODUCING OIL	□ PP GAS	□ TERMINATED
⊕ SHUT-IN GAS	□ PP GEOTHERML	
⊕ SHUT-IN OIL	□ PP OIL	
⊕ TEMP. ABANDONED	□ SECONDARY	
⊕ TEST WELL	□ TERMINATED	
⊕ WATER INJECTION		
⊕ WATER SUPPLY		
⊕ WATER DISPOSAL		



PREPARED BY: DIANA WHITNEY
DATE: 29-SEPTEMBER-2004

Casing Schematic

Mancos

Surface

8-5/8"
MW 8.4
Frac 19.

TOC @
5.

Surface
146. MD

w/ 18% Washout
Surface w/ 17%

TOC @
267.

BHP

$$(1.052)(8.4)(1460) = 637$$

Anticipate - 491

Gao

$$(0.12)(1460) = 175$$

$$MASP = 462$$

BOPE - 3000 ✓

Surf csg - 2950

70% - 2065

Propose test to 1400psi ✓

Adequate DKB 10/8/04

Tbc Tail
947

990
Blue Gate / Ferron

w/ 15% Washout
Surface w/ 8% Washout

5-1/2"
MW 8.4

Production
1460. MD

Well name:

10-04 ConocoPhillips Utah 33-530Operator: **ConocoPhillips Company**String type: **Surface**

Project ID:

43-007-31013

Location: **Carbon****Design parameters:****Collapse**

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 67 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 3 ft

Cement top: 5 ft

BurstMax anticipated surface
pressure:

0 psi

Internal gradient: 0.436 psi/ft

Calculated BHP 64 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 128 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 1,460 ft

Next mud weight: 8.400 ppg

Next setting BHP: 637 psi

Fracture mud wt: 19.000 ppg

Fracture depth: 146 ft

Injection pressure 144 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	146	8.625	24.00	J-55	ST&C	146	146	7.972	957
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	64	1370	21.504	64	2950	46.30	4	244	69.63

Prepared Clinton Dworshak
by: Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 801-359-3940Date: October 1, 2004
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 146 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

10-04 ConocoPhillips Utah 33-530Operator: **ConocoPhillips Company**

String type: Production

Project ID:

43-007-31013

Location: Carbon

Design parameters:**Collapse**

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 85 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 250 ft

Cement top: 267 ft

Burst

Max anticipated surface pressure:

0 psi

Internal gradient: 0.436 psi/ft

Calculated BHP 637 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.

Neutral point: 1,274 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	1460 ✓	5.5 ✓	17.00 ✓	N-80 ✓	LT&C	1460	1460	4.767	10473
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	637	6290	9.873 ✓	637	7740	12.15 ✓	25	348	14.02 J ✓

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 801-359-3940Date: October 1, 2004
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 1460 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Utah 33-530
API NUMBER: 43-007-31013
LEASE: State FIELD/UNIT: _____
LOCATION: 1/4, 1/4 NENW Sec: 33 TWP: 14S RNG: 10E 832 FNL 1890 FWL
LEGAL WELL SITING: _____ F SEC. LINE; _____ F 1/4, 1/4 LINE; _____ F ANOTHER WELL.
GPS COORD (UTM): X =516452 E; Y =4379756 N SURFACE OWNER: Harold Slaughter.

PARTICIPANTS

M. Jones (DOGM), Jean Semborski and Deanna Walker (ConocoPhillips),
Harold Slaughter (surface owner).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~2 miles south of Price, Utah. Staked location
lies east of Highway 10 on privately owned property. Property owner is
Harold Slaughter. The immediate area surrounding the proposed well is
agricultural and grazing. Access to this well will be along existing
ConocoPhillips gas field roads from the north off of UDOT and County
maintained roads. Approximately 100' of new access road will be built
for this location. The direct area drains to the east into Drunkards
wash then further eastward eventually into the Price River, a year-round
live water source ~1 mile east of the proposed location. Dry washes run
throughout the area.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and agriculture activities.

PROPOSED SURFACE DISTURBANCE: 175' x 205' w/ 50' x 50' x 10' (excluded)
pit.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 7 proposed,
producing, and/or PA wells are within a 1 mile radius of the above
proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: On location and along
roadway.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and trucked to site.

ANCILLARY FACILITIES: None anticipated.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS?
(EXPLAIN): County officials seem to be concerned about drilling
activities east of Highway 10. The closest residential dwelling is
approximately 1500' southwest of the proposed gas well. Approximately
8-10 residences are within 1900' of the proposed well. Access will be,
in general, from the north. All proposed new access for this well will
be on the same surface ownership as the well, Harold Slaughter. The

well and its access might have minor impacts to the closest residents primarily during drilling and completion activities, which will be within a 1 week time period. Daylight hour work will be the company policy on this well. The Price River lies east of the well approximately 1 mile, to which there are no foreseeable impacts.

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. Crude oil production is unlikely. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the Navajo Sandstone via a salt water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Dry washes run throughout the immediate area of the proposed well location.

FLORA/FAUNA: Greasewood, sagebrush, grasses, weeds, small game, rodents, fowl.

SOIL TYPE AND CHARACTERISTICS: Clay loam.

SURFACE FORMATION & CHARACTERISTICS:

EROSION/SEDIMENTATION/STABILITY: Erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout earthen, 50'x50'x10', exterior to location.

LINER REQUIREMENTS (Site Ranking Form attached): Liner required.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: In negotiation.

CULTURAL RESOURCES/ARCHAEOLOGY: In process by SencoPheonix.

OTHER OBSERVATIONS/COMMENTS

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

August 18, 2004 / 10:00 am
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>2</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>8</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 25 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Utah 33-530
API NUMBER: 43-007-31013
LOCATION: 1/4,1/4 NENW Sec:33 TWP: 14 S RNG: 10 E 832 FNL 1890 FWL

Geology/Ground Water:

A silty, poorly-permeable soil is developed on the lower portion of the Blue Gate Shale Member of the Mancos Shale. No aquifers with high quality ground water are likely to be encountered. The proposed casing and cement program will adequately isolate any water-bearing strata encountered during drilling. Several surface and no underground water rights have been filed within a mile of the location. The area drains to Drunkards Wash and the Price River. The Price topo map indicates that a ravine to the south southeast is apparently within 400' of the stake.

Reviewer: Christopher J. Kierst **Date:** 9/30/2004

Surface:

Proposed location is ~2 miles south of Price, Utah. Staked location lies east of Highway 10 on property owned by Harold Slaughter. The immediate area surrounding the proposed well is agricultural and grazing. Access to this well will be along existing ConocoPhillips gas field roads from the north off of UDOT and County maintained roads. All proposed new access for this well will be from the north on property owned by Harold Slaughter and the LDS Church. Approximately 100' of new access road will be built for this location. The direct area drains to the east into Drunkards wash then further eastward eventually into the Price River, a year-round live water source ~1 mile east of the proposed location. There are no anticipated impacts to the river. Dry washes run throughout the area. The closest residential dwelling is approximately 1500' southwest of the proposed gas well. Approximately 8-10 residences are within 1900' of the proposed well. The well and its access might have minor impacts to the closest residents primarily during drilling and completion activities, due to noise and dust, which should occur within a 1 week time period. Daylight hour work will be the company policy on this well. Jean Semborski and Deanna Walker represented ConocoPhillips, while Harold Slaughter was in attendance, representing the surface ownership. Carbon County was invited but chose not to attend this on-site evaluation.

Reviewer: Mark L. Jones

Date: August 27, 2004

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.



State Online Services

Agency List

Business.utah.gov

Search Utah.gov

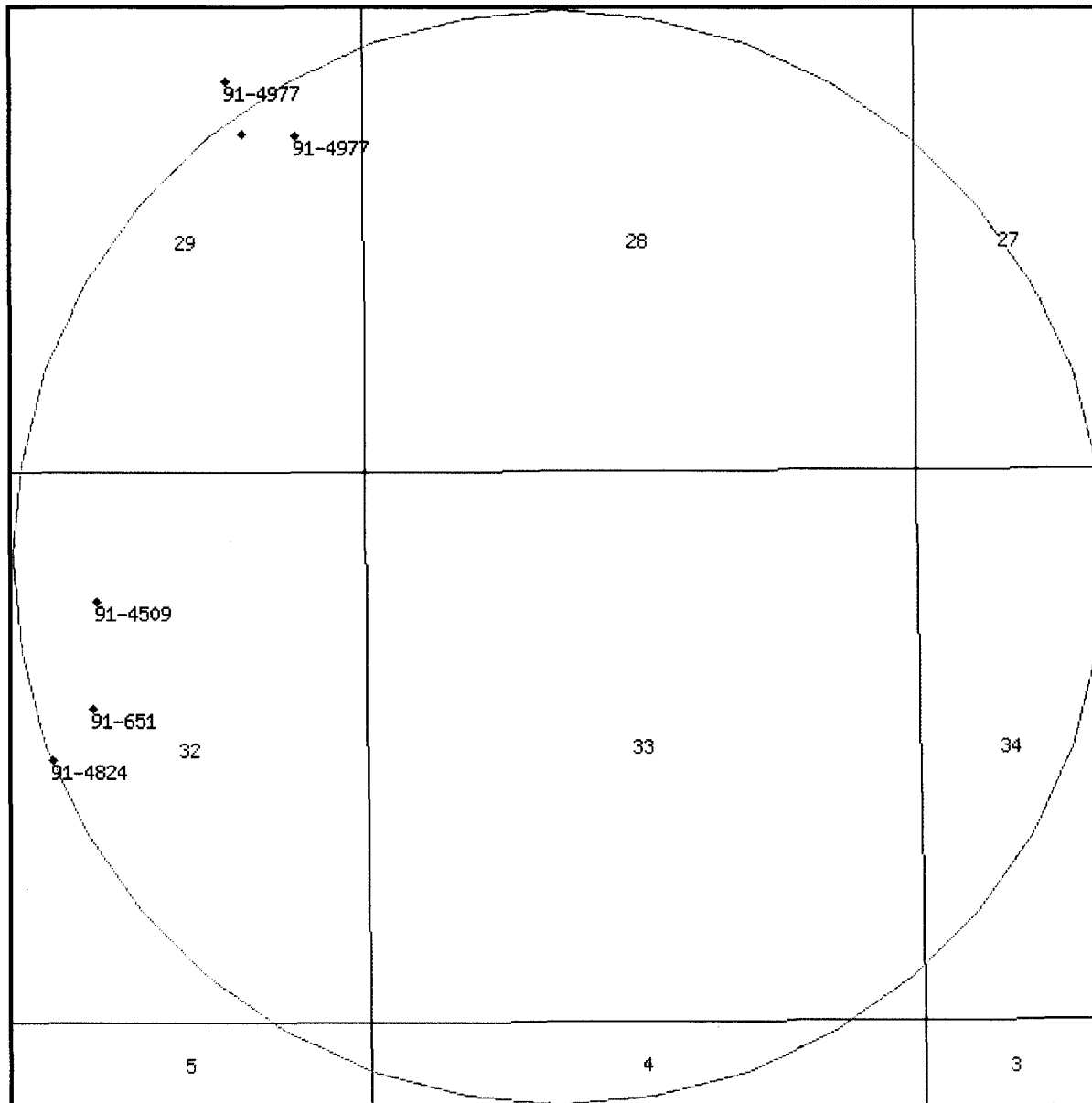


UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.03.26.00 Rundate: 09/30/2004 08:50 AM

Radius search of 5280 feet from a point S832 E1890 from the NW corner, section 33, Township 14S, Range 10E, SL
b&m Criteria:wrtypes=W,C,E podtypes=S,U,D,Sp,P status=U,A,P usetypes=all



0 700 1400 2100 2800 ft

Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>91-258</u>	Surface S2280 E15 N4 32 14S 10E SL		P	19590127	I	3.600	0.000	CARBON STAKE LDS CHURCH UT
<u>91-4509</u>	Surface S1240 E50 N4 32 14S 10E SL		A	19860630	IS	0.500	0.000	BETTY L. WILLIAMS RT. 3 BOX 112A
<u>91-4824</u>	Surface S95 E2256 W4 32 14S 10E SL		P	19920609	IS	0.000	1.392	GARY W. & MARY D. SCOW 2565 SOUTH 660 WEST
<u>91-4977</u>	Surface S1550 E1300 N4 29 14S 10E SL		A	19950627	I	0.000	4.370	BLAKE LIDDELL 1398 SOUTH FAIRGROUNDS ROAD
<u>91-4977</u>	Surface S2060 E1460 N4 29 14S 10E SL		A	19950627	I	0.000	4.370	BLAKE LIDDELL 1398 SOUTH FAIRGROUNDS ROAD
<u>91-4977</u>	Surface S2080 E1980 N4 29 14S 10E SL		A	19950627	I	0.000	4.370	BLAKE LIDDELL 1398 SOUTH FAIRGROUNDS ROAD
<u>91-647</u>	Surface S2280 E15 N4 32 14S 10E SL		P	19590127	IS	3.600	0.000	GUST HIMONAS 222 NORTH 1280 WEST
<u>91-651</u>	Surface S2280 E15 N4 32 14S 10E SL		P	19590127	IS	3.600	0.000	HAROLD & IONE SLAUGHTER ROUTE #1



State of Utah

Department of
Natural ResourcesROBERT L. MORGAN
*Executive Director*Division of
Oil, Gas & MiningLOWELL P. BRAXTON
*Division Director*OLENE S. WALKER
*Governor*GAYLE F. McKEACHNIE
Lieutenant Governor

October 12, 2004

ConocoPhillips Company
P O Box 851
Price, UT 84501Re: Utah 33-530 Well, 832' FNL, 1890' FWL, NE NW, Sec. 33, T. 14 South,
R. 10 East, Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31013.

Sincerely,

John R. Baza
Associate Directorpab
Enclosurescc: Carbon County Assessor
SITLA

Operator: ConocoPhillips Company
Well Name & Number Utah 33-530
API Number: 43-007-31013
Lease: ML-47557

Location: NE NW Sec. 33 T. 14 South R. 10 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

Page 2

API #43-007-31013

October 12, 2004

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

005

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

ORIGINAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER _____

2. NAME OF OPERATOR:

ConocoPhillips Company

3. ADDRESS OF OPERATOR:

6825 S 5300 W

CITY

Price

STATE

UT

ZIP

84501

PHONE NUMBER:

(435) 613-9777

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-47557

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CA AGREEMENT NAME:

Drunkards Wash UTU-67921X

8. WELL NAME and NUMBER:

Utah 33-530

9. API NUMBER:

4300731013

10. FIELD AND POOL, OR WILDCAT:

Drunkards Wash

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 832' FNL, 1890' FWL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 33 T14 10E S

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

11/10/2004

☐ ACIDIZE☐ ALTER CASING☐ CASING REPAIR☐ CHANGE TO PREVIOUS PLANS☐ CHANGE TUBING☐ CHANGE WELL NAME☐ CHANGE WELL STATUS☐ COMMINGLE PRODUCING FORMATIONS☐ CONVERT WELL TYPE☐ DEEPEN☐ FRACTURE TREAT☐ NEW CONSTRUCTION☐ OPERATOR CHANGE☐ PLUG AND ABANDON☐ PLUG BACK☐ PRODUCTION (START/RESUME)☐ RECLAMATION OF WELL SITE☐ RECOMPLETE - DIFFERENT FORMATION☐ REPERFORATE CURRENT FORMATION☐ SIDETRACK TO REPAIR WELL☐ TEMPORARILY ABANDON☐ TUBING REPAIR☐ VENT OR FLARE☐ WATER DISPOSAL☐ WATER SHUT-OFF☒ OTHER: Spud well

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

See attached.

NAME (PLEASE PRINT) Lynnette Allred

TITLE Sr. Operations Assistant

SIGNATURE

DATE

11/10/2004

(This space for State use only)

RECEIVED

NOV 18 2004

CONOCOPHILLIPS CO

Daily Drilling Report

WELL NAME UTAH 33-530		JOB NUMBER	EVENT CODE DRL	24 HRS PROG	TMD	TVD	DFS	REPT NO. 1	DATE 11/6/2004
SUPERVISOR LLOYD SHIRLEY		RIG NAME & NO. PENSE BROS 19		FIELD NAME / OCS NO.		AUTH MD 1,450.0	DAILY TANG 0.00	CUM. TANG 0.00	
CURRENT STATUS N/UP BOP				ACCIDENTS LAST 24 HRS.?		DAILY INT W/O MUD 0.00		CUM INTANG W/ MUD 0.00	
24-HR FORECAST TEST BOPS, DRILL TO TD				DATE OF LAST SAFETY MEETING		DAILY TOTAL 11,580		CUM COST W/ MUD 11,580	
LITHOLOGY		JAR HRS OF SERVICE	BHA HRS SINCE INSP	LEAKOFF		AFE WAR.UIN.S295		AUTH. 275,160	
LAST SURVEY: DATE		TMD	INC	AZIM	LAST CASING (in) @ (ft)		NEXT CASING (in) @ (ft)		LAST BOP PRES TEST

OPERATIONS SUMMARY

FROM	TO	HOURS	CODE	TROUBLE	SUB	PHASE	DESCRIPTION
07:00	09:30	2.50	MOVE P		RURD	MIRU	MOVE ON LOCATION AND RIG UP, SAFETY MTG, (DISCUSS MUDDY CONDITIONS, LIFTING HAZARDS,
09:30	11:00	1.50	DRILL P		DRLG	COND1	SPUD @ 0930HRS, DRILL & SET 45FT OF 12 3/4IN CONDUCTOR,
11:00	11:30	0.50	DRILL P		RURD	SURFAC	RIG UP TO DRILL 11IN SURFACE HOLE,
11:30	13:00	1.50	DRILL P		DRLG	SURFAC	DRILL 11IN SURFACE HOLE TO 265FT, CLEAN HOLE AND POOH,
13:00	14:00	1.00	CASING P		RNCS	SURFAC	RIH W/ 8 5/8IN GUIDE SHOE + 8JTS OF 8 5/8IN 24# J-55 CSG, LAND @ 254.58FT,
14:00	19:30	5.50	CEMENT P		WOCT	SURFAC	WAIT ON CEMENTERS,
19:30	20:00	0.50	CEMENT P		RURD	SURFAC	RIG UP CEMENTERS, SAFETY MTG, (DISCUSS MUDDY CONDITIONS, PRESSURE HAZARDS, STAYING FOCUSED F/ SHORT JOB),
20:00	20:20	0.33	CEMENT P		CIRC	SURFAC	PUMP 20 BBLS AHEAD, MIX & PUMP CEMENT, DISPLACE W/ 14 BBLS OF FRESH WATER, 6 BBLS OF GOOD CEMENT TO SURFACE, CLOSE VALVE @ 2020 HRS,
20:20	20:45	0.42	CEMENT P		DISP	SURFAC	CEMENT FELL 10FT, PUMPED 1/2BBL OF FRESH WATER AND BROUGHT IT BACK TO SURFACE, HELD @ SURFACE, CLOSED VALVE, WITNESSED BY MARK JONES OF DOGM,
20:45	21:00	0.25	CEMENT P		RURD	SURFAC	RIG DOWN CEMENTERS, SECURE WELL AND SDFN

PERSONNEL DATA

COMPANY	SERVICE	NO.	HOURS	COMPANY	SERVICE	NO.	HOURS
	RIG CREW	5	60.00	HALLIBURTON	CEMENT CREW	5	15.00
CONOCOPHILLIPS CO		1	12.00		STATE MAN	2	4.00
	TRUCK DRIVERS	5	24.00				

COMMENTS

NO INCIDENTS REPORTED

JSA'S 2

STOP CARDS 1

CONOCOPHILLIPS CO

Daily Drilling Report

WELL NAME UTAH 33-530		JOB NUMBER	EVENT CODE DRL	24 HRS PROG	TMD	TVD	DFS 1.00	REPT NO. 2	DATE 11/7/2004
SUPERVISOR LLOYD SHIRLEY		RIG NAME & NO. PENSE BROS 19		FIELD NAME / OCS NO.		AUTH MD 1,450.0	DAILY TANG 0.00	CUM. TANG 0.00	
CURRENT STATUS RUN BACK TO BOTTOM AND START DRILLING,				ACCIDENTS LAST 24 HRS.? NONE RPTD		DAILY INT W/O MUD 0.00		CUM INTANG W/ MUD 0.00	
24 HR FORECAST DRILL TO TD, LOG WELL AND RIG DOWN				DATE OF LAST SAFETY MEETING 11/6/2004		DAILY TOTAL 16,565		CUM COST W/ MUD 28,145	
LITHOLOGY		JAR HRS OF SERVICE	BHA HRS SINCE INSP	LEAKOFF		AFE WAR.UIN.S295		AUTH. 275,160	
LAST SURVEY: DATE		TMD	INC	AZIM	LAST CASING (in) @ (ft)		NEXT CASING (in) @ (ft)		LAST BOP PRES TEST 11/6/2004

OPERATIONS SUMMARY

FROM	TO	HOURS	CODE	TROUBLE	SUB	PHASE	DESCRIPTION
06:30	09:30	3.00	TREBOP P		NUND	INTRM1	SAFETY MTG, (DISCUSS N/UP BOPS, MUDDY CONDITIONS), BREAK LOOSE, N/UP BOP AND MANIFOLD,
09:30	12:00	2.50	TREBOP P		BOPE	INTRM1	TEST BOP HARD LI NE FROM BOP TO MANIOFOLD LEAKING , BREAK DOWN AND REPLACE, TEST BOP, PIPE RAMS & MANIFOLD, 200PSI LOW 5 MINUTES, 2000PSI HIGH 10 MINUTES, BLIND RAMS & CSG 200 PSI LOW, 2000 PSI HIGH 30 MINUTES, RIG DOWN TESTERS,
12:00	13:00	1.00	DRILL P		RURD	INTRM1	RUN BLOUIE LINE TO PIT, N/UP TO DRILL 7 7/8IN HOLE, RIH,
13:00	16:00	3.00	DRILL P		DRLG	INTRM1	DRILL OUT CEMENT, DRILL 7 7/8IN HOLE TO 890FT, (210FT PER HR),
16:00	17:30	1.50	DRILL P		DRLG	INTRM1	DRILL 890FT - 1130FT, (160FT PER HR) HIT FLUID @ 1040FT AND SLOWED RATE DOWN,
17:30	18:00	0.50	DRILL P		TRIP	INTRM1	CLEAN HOLE, POOH TO 850FT, SECURE WELL AND SDFN,

24 HR SUMMARY: TEST BOP, DRILL 7 7/8IN HOLE TO 1130FT, CLEAN HOLE, PULL UP TO 850FT, SECURE WELL AND SDFN,

PERSONNEL DATA

COMPANY	SERVICE	NO.	HOURS	COMPANY	SERVICE	NO.	HOURS
	RIG CREW	5	60.00		TRUCK DRIVERS	1	6.00
CONOCOPHILLIPS CO		1	12.00				

COMMENTS

NO INCIDENTS REPORTED
JSA'S 1
STOP CARDS 2

CONOCOPHILLIPS CO

Daily Drilling Report

WELL NAME UTAH 33-530	JOB NUMBER	EVENT CODE DRL	24 HRS PROG	TMD	TVD	DFS 2.00	REPT NO. 3	DATE 11/8/2004
SUPERVISOR LLOYD SHIRLEY	RIG NAME & NO. PENSE BROS 19	FIELD NAME / OCS NO.		AUTH MD 1,450.0	DAILY TANG 0.00		CUM. TANG 0.00	
CURRENT STATUS WEIGHT UP MUD TO KILL WELL			ACCIDENTS LAST 24 HRS.? NONE RPTD		DAILY INT W/O MUD 0.00		CUM INTANG W/ MUD 0.00	
24 HR FORECAST MIX AND PUMP WEIGHTED MUD, CIRCULATE WELL, RIG DO			DATE OF LAST SAFETY MEETING 11/7/2004		DAILY TOTAL 9,860		CUM COST W/ MUD 38,005	
LITHOLOGY		JAR HRS OF SERVICE	BHA HRS SINCE INSP	LEAKOFF	AFE WAR.UIN.S295		AUTH. 275,160	
LAST SURVEY: DATE		TMD	INC	AZIM	LAST CASING (in) @ (ft)		NEXT CASING (in) @ (ft)	
							LAST BOP PRES TEST 11/6/2004	

OPERATIONS SUMMARY

FROM	TO	HOURS	CODE	TROUBLE	SUB	PHASE	DESCRIPTION
06:30	07:00	0.50	DRILL P		SFTY	INTRM1	SAFETY MTG, (DISCUSS PRESSURE HAZARDS, SLIPS, TRIPS, TIH,), RIG UP HARD LINE TO PIT, 240PSI ON WELL, BLOW WELL DOWN,
07:00	07:45	0.75	DRILL P		TRIP	INTRM1	TIH, UNLOAD HOLE, TAG @ 1126FT,(4FT FILL),
07:45	10:30	2.75	DRILL P		DRLG	INTRM1	DRILL 1126- 1460FT, TD @ 1030HRS 11/07/04
10:30	10:45	0.25	DRILL P		CIRC	INTRM1	CLEAN HOLE,
10:45	12:00	1.25	DRILL P		TRIP	INTRM1	POOH TO LOG, LOAD HOLE @ 800FT, HOLE UNLOADING GAS AND WATER,
12:00	14:00	2.00	DRILL P		CIRC	INTRM1	SHUT WELL IN,FILL HOLE BY LUBRICATING AND BLEED WELL OFF THRU CHOKE MANIFOLD, STILL FLOWING,
14:00	17:00	3.00	DRILL P		RURD	INTRM1	SHUT WELL IN AND RIG UP MUD EQUIPMENT, WELL BUILT UP TO 340PSI WHILE SHUT IN,BLEED DOWN AND TIH W/ TRICONE TO 930FT,
17:00	18:30	1.50	WELCTL P		CIRC	INTRM1	MIX AND PUMP VISCOUS MUD DOWNHOLE UNTIL GOOD MUD RETURNS TO PIT, WELL STILL FLOWING, PULL UP 5 JOINTS AND SHUT WELL IN FOR NIGHT, WILL HAVE BARITE ON LOCATION IN THE MORNING,

24 HR SUMMARY: DRILL TO TD, POOH TO LOG, COULD NOT KILL WELL, MUD UP, WELL STILL FLOWING, SHUT WELL IN WILL HAVE BARITE ON LOCATION IN THE MORNING,

PERSONNEL DATA

COMPANY	SERVICE	NO.	HOURS	COMPANY	SERVICE	NO.	HOURS
	RIG CREW	5	60.00		TRUCK DRIVERS	2	15.00
CONOCOPHILLIPS CO		2	24.00		LOGGERS	3	18.00

COMMENTS

NO INCIDENTS REPORTED
JSA'S 1
STOP CARDS 2

CONOCOPHILLIPS CO

Daily Drilling Report

WELL NAME UTAH 33-530		JOB NUMBER	EVENT CODE DRL	24 HRS PROG	TMD	TVD	DFS 3.00	REPT NO. 4	DATE 11/9/2004
SUPERVISOR LLOYD SHIRLEY	RIG NAME & NO. PENSE BROS 19		FIELD NAME / OCS NO.		AUTH MD 1,450.0	DAILY TANG 0.00		CUM. TANG 0.00	
CURRENT STATUS RIG DOWN AND MOVE DRILL RIG				ACCIDENTS LAST 24 HRS.? NONE RPTD		DAILY INT W/O MUD 0.00		CUM INTANG W/ MUD 0.00	
24 HR FORECAST RUN 5 1/2IN CSG AND CEMENT SAME TO SURFACE,				DATE OF LAST SAFETY MEETING 11/8/2004		DAILY TOTAL 5,150		CUM COST W/ MUD 43,155	
LITHOLOGY		JAR HRS OF SERVICE	BHA HRS SINCE INSP	LEAKOFF		AFE WAR.UIN.S295		AUTH. 275,160	
LAST SURVEY: DATE		TMD	INC	AZIM	LAST CASING (in) @ (ft)		NEXT CASING (in) @ (ft)		LAST BOP PRES TEST 11/6/2004

OPERATIONS SUMMARY

FROM	TO	HOURS	CODE	TROUBLE	SUB	PHASE	DESCRIPTION
06:30	07:00	0.50	WELCTL P		SFTY	INTRM1	SAFETY MTG,(DISCUSS MIXING MUD, WET MUDDY CONDITIONS), UNLOAD BARITE,
07:00	12:00	5.00	WELCTL P		COND	INTRM1	MIX & PUMP WEIGHTED MUD DOWN HOLE, 9.8 GOING IN 8.8 TO PIT, CIRCULATE UNTIL 9.2PPG GOING TO PIT,
12:00	14:00	2.00	WELCTL P		CIRC	INTRM1	CIRCULATE TO TD, HAD TO WASH DOWN LAST 25FT, CIRCULATE ON BOTTOM,
14:00	16:30	2.50	WELCTL P		COND	INTRM1	MUD BEING CUT BY FLUID, MIX AND PUMP 10.8PPG MUD DOWNHOLE 9.3PPG, SHUT DOWN PUMPS WATCH F/ FLOW, WELL DEAD,
16:30	18:00	1.50	DRILL P		TRIP	INTRM1	POOH, LOAD HOLE EVERY 10 JTS, WELL STILL DEAD WHEN CLOSED IN, SECURE WELL AND SDFN

24 HR SUMMARY: MIX AND PUMP MUD TO KILL WELL, CIRCULATE TO BOTTOM, POOH, SECURE WELL AND SDFN

PERSONNEL DATA

COMPANY	SERVICE	NO.	HOURS	COMPANY	SERVICE	NO.	HOURS
CONOCOPHILLIPS CO		1	14.00		RIG CREW	5	60.00
	TRUCK DRIVERS	2	15.00				

COMMENTS

NO INCIDENTS REPORTED
JSA'S 2
STOP CARDS 1

006

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

ORIGINAL

FORM 6

ENTITY ACTION FORM

Operator: ConocoPhillips Company
Address: 6825 S 5300 W
city Price
state UT zip 84501

Operator Account Number: N 2335Phone Number: (435) 613-9777

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731013	Utah 33-530		NENW	33	T14	10E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	14396	11/6/2004			11/22/04	
Comments: <u>FRSD not in PA</u>							

CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Lynnette Allred

Name (Please Print)

Signature

Sr. Operations Assistant

Title

RECEIVED

11/10/2004

Date

NOV 18 2004

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL	OIL WELL <input type="checkbox"/>	GAS WELL <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>	5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47557
2. NAME OF OPERATOR: ConocoPhillips Company				6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: P.O. Box 851 CITY Price STATE UT ZIP 84501				7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X
4. LOCATION OF WELL FOOTAGES AT SURFACE: 832' FNL, 1890' FWL				8. WELL NAME and NUMBER: Utah 33-530
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 33 14S 10E S				9. API NUMBER: 4300731013
COUNTY: Carbon				10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
STATE: UTAH				

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: Notice of First Production
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please be advised that the Utah 33-530 well showed first production on 1/24/05.

Gas: 69 mcf
Water: 66 bbl
Tbg Pressure: 0
Csg Pressure: 500

ORIGINAL

CONFIDENTIAL

NAME (PLEASE PRINT) Frankie Hathaway TITLE Sr. Planning, Compliance & HSE Assistant
SIGNATURE _____ DATE 1/27/2005

(This space for State use only)

JAN 31 2005

PL GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL ☒ GAS WELL ☒ DRY ☐ OTHER ☐
b. TYPE OF WORK: NEW WELL ☒ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER ☐
2. NAME OF OPERATOR: ConocoPhillips Company
3. ADDRESS OF OPERATOR: P.O. Box 851 CITY Price STATE UT ZIP 84501 PHONE NUMBER: (435) 613-9777
4. LOCATION OF WELL (FOOTAGES): AT SURFACE: 832' FNL, 1890' FWL
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH:

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47557
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X
8. WELL NAME and NUMBER: Utah 33-530
9. API NUMBER: 4300731013
10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 33 14S 10E S
12. COUNTY: Carbon 13. STATE: UTAH

14. DATE SPURRED: 11/6/2004 15. DATE T.D. REACHED: 11/7/2004 16. DATE COMPLETED: 1/21/2005 ABANDONED ☐ READY TO PRODUCE ☒
17. ELEVATIONS (DF, RKB, RT, GL): 5528.2 GR
18. TOTAL DEPTH: MD 1,460 TVD 19. PLUG BACK T.D.: MD 1,450 TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? * N/A 21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each): Dual Induction, Laterolog, SFF, Caliper, Compensated Density & Neutron, TMDL, CBL
23. WAS WELL CORED? NO ☒ YES ☐ (Submit analysis)
WAS DST RUN? NO ☒ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☒ YES ☐ (Submit copy)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
15"	12 3/4 PE	Conductor	0	45					
11"	8 5/8 J-55	24#/ft	45	255		G, 2% G 110			
7 7/8"	5 1/2 N-80	17#/ft	255	1,460		50/50 G 100			
						2% KCL 95			

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8	1,202							

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Ferron Coals	1,130	1,130			1,130 1,130	N/A	4	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) Ferron Coals	1,106	1,106			1,106 1,106	N/A	4	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C) Ferron Coals	1,087	1,087			1,087 1,087	N/A	4	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D) Ferron Coals	1,052	1,052			1,052 1,052	N/A	4	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
Zone 1: 1130'	29,497#, 16/30; 27,202 gal fluid Zone 4: 1052' 28,698#, 16/30; 20,033 gal fluid
Zone 2: 1106'	60,070#, 16/30; 39,325 gal fluid Zone 5: 1023' 40,176#, 16/30; 28,329 gal fluid
Zone 3: 1057'	18,571#, 16/30; 13,944 gal fluid Zone 6: 1004' 23,015#, 16/30; 16,663 gal fluid

29. ENCLOSED ATTACHMENTS: ☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: _____

Producing

RECEIVED
MAY 05 2005
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 1/24/2005		TEST DATE: 1/24/2005		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 0		GAS – MCF: 69		WATER – BBL: 66		PROD. METHOD:		
CHOKE SIZE:	TBG. PRESS. 0	CSG. PRESS. 500	API GRAVITY	BTU – GAS		GAS/OIL RATIO		24 HR PRODUCTION RATES: →		OIL – BBL: 0		GAS – MCF: 69		WATER – BBL: 66		INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 1/24/2005		TEST DATE: 1/24/2005		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 0		GAS – MCF: 69		WATER – BBL: 66		PROD. METHOD:	
CHOKE SIZE:	TBG. PRESS. 0	CSG. PRESS. 500	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 69	WATER – BBL: 66	INTERVAL STATUS:					

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED: 1/24/2005		TEST DATE: 1/24/2005		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 0		GAS – MCF: 69		WATER – BBL: 66		PROD. METHOD:	
CHOKE SIZE:	TBG. PRESS. 0	CSG. PRESS. 500	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →		OIL – BBL: 0		GAS – MCF: 69		WATER – BBL: 66		INTERVAL STATUS:	

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED: 1/24/2005		TEST DATE: 1/24/2005		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 0		GAS – MCF: 69		WATER – BBL: 66		PROD. METHOD:	
CHOKE SIZE:	TBG. PRESS. 0	CSG. PRESS. 500	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 69	WATER – BBL: 66	INTERVAL STATUS:					

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Bluegate Bent. Tununk Ferron Ferron Coals	769 1,210 982 1,020	1,116	Coal Intervals: 1020-1116		769 1,210 982

ORIGINAL

35. ADDITIONAL REMARKS (Include plugging procedure)

Ferron Coals: 1023 Ferron Coals: 1004 (Cobra Jet Frac-no perforation jun used, perforated w/sand only)

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36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) James Weaver

TITLE Operations Superintendent

SIGNATURE

DATE

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation

- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

ORIGINAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☐ GAS ☒ OTHER:

2. Name of Operator:

ConocoPhillips Company

3. Address and Telephone Number:

6825 South 5300 West, P.O. Box 851, Price, UT 84501 (435) 613-9777

4. Location of Well
Footages:

832' FNL, 1890' FWL

QQ, Sec., T., R., M.:

NE/NW, Sec.33, T14S, R10E, SLB&M

5. Lease Designation and Serial Number:

ML-47557

6. If Indian, Allottee or Tribe Name:

N/A

7. Unit Agreement Name:

UTU67921X Drunkards Wash

8. Well Name and Number:

Utah 33-530

9. API Well Number:

43-007-31013

10. Field or Pool, or Wildcat:

Drunkards Wash

County: Carbon County

State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- | | |
|--|--|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Csg |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |
- Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|--|--|
| <input type="checkbox"/> Abandon * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Csg |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other Chemical/Flush Treatment | |
- Date of work completion 07/23/05

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Please be advised that the above referenced well was chemically treated with 480 gallons of low Ph fluid & 250 gallons of 15% HCL on 07/23/2005.

13.

Name & Signature: Lynnette Allred



Title: Sr. Operations Assistant

Date: 07/23/2005

(This space for state use only)

RECEIVED

AUG 11 2005

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: ConocoPhillips Operator Account Number: N 2335
Address: 6825 South 5300 West
city Price
state UT zip 84501 Phone Number: (435) 613-9777

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300730867	UTAH 33-439		NENW	33	14S	10E	CARBON
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	14468	11256			11/9/05		
Comments: Well was converted to PA on 01/01/2005. FRSD							

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Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731013	UTAH 33-530		NENW	33	14S	10E	CARBON
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
C	14396	11256			11/9/05		
Comments: Well was converted to PA on 01/01/2005. FRSD							

CONFIDENTIAL K

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Lynnette Allred

Name (Please Print)

Signature

Sr Operations Assistant

Title

11/9/2005

Date

(5/2000)

e-mail

RECEIVED

NOV 09 2005

NOV 14 2005

DIV. OF OIL, GAS & MINING

DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



IN REPLY REFER TO
3180
UT-922

SEP 14 2005

ConocoPhillips Company
Attn: William W. Franklin
WL3-5038
P.O. Box 2197
Houston, Texas 77252-2197

CONFIDENTIAL

Re: 10th Revision of the
Consolidated Ferron Formation
Participating Area "A,C,D"
Drunkards Wash Unit
Carbon and Emery Counties, Utah

Gentlemen:

The 10th Revision Consolidated Ferron Formation Participating Area "A,C,D", Drunkards Wash Unit, UTU67921F, is hereby approved effective as of January 1, 2005, pursuant to Section 11 of the Drunkards Wash Unit Agreement, Carbon and Emery Counties, Utah.

The 10th Revision of the Consolidated Ferron Formation Participating Area "A,C,D" results in the addition of 480.00 acres to the participating area for a total of 70,342.87 acres and is based upon the completion of the following wells, as capable of producing unitized substances in paying quantities.

WELL NO.	API NO.	LOCATION	LEASE NO.
Utah 33-439	43-007-30867	SWSW, 33-14S-10E	ML-47557
LDS 33-522	43-007-31012	NENE, 33-14S-10E	Patented
Utah 33-530	43-007-31013	SWNW, 33-14S-10E	ML-47557

14396 → 11256

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the 10th Revision Consolidated Ferron Formation Participating Area "A,C,D", Drunkards Wash Unit and the effective date.

Sincerely,

/s/ David H. Murphy

David H. Murphy
Acting Chief, Branch of Fluid Minerals

RECEIVED

Enclosure

SEP 16 2005